## Message Text

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**STADIS** 

E. O. 11652: GDS TAGS: PINT, JA

SUBJECT: NIXON/ TANAKA SUMMIT BACKGROUND PAPER - III: POLITICAL

PROBLEMS AND PROSPECTS OF THE TANAKA GOVERNMENT.

SUMMARY: PRIME MINISTER TANAKA WILL COME TO THE SUMMIT MEETING AT A TIME WHEN THE JAPANESE POLITICAL SCENE IS PERVADED BY A GROWING SENSE OF CRISIS CONCERNING THE FUTURE OF CONSERVATIVE RULE IN JAPAN. TANAKA ENDS HIS FIRST YEAR IN OFFICE WITH POPULAR SUPPORT FOR HIS GOVERN-MENT AT A RECORD LOW AND WITH AMAJOR PORTION OF HIS LEGISLATIVE PROGRAM STYMIED BY LEFTIST OBSTRUCTIONISM IN THE DIET. FAILURE TO STEM INFLATION, POLLUTION AND RISING PRICES CONTRIBUTED TO TANKA'S LACK OF POPULARITY AND THE CONTINUING ADVANCE OF LEFTIST POWER IN LOCAL ELECTIONS ESPECIALLY IN KEY URBAN AREAS. THE POSSIBILITY THAT THIS ADVANCE WILL REACH THE NATIONAL LEVEL AND END CON-SERVATIVE CONTROL OF THE UPPER HOUSE IN 1974 IS PRODUCING AN ATMOSPHERE OF CRISIS WITHIN THE LDP AND WEAKENING THE FRAGILE UNITY OF THE PARTY. TANAKA'S LEADERSHIP OF PARTY AND GOVERNMENT IS NOT IMMEDIATELY THREATENED BUT HIS MAIN PREOCCUPATION FOR THE REST OF HIS TENURE WILL NECESSARILY BE TO HALT THE EROSION OF CONSERVATIVE POWER AND TO WIN BACK POPULAR SUPPORT FOR HIS GOVERNMENT. END SUMMARY.

1. TANAKA'S FIRST YEAR. PRIME MINISTER TANAKA ENDS HIS CONFIDENTIAL

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FIRST YEAR IN OFFICE WITH THE PRESTIGE AND POPULARITY OF HIS GOVERNMENT AT AN ALL-TIME LOW AND WITH THE LDP SEIZED WITH A SENSE OF CRISIS AS LDP POWER IS BEING CHALLENGED ON ALL SIDES BY GROWING LEFTIST STRENGTH. REFLECTING POPULAR DISSATISFACTION WITH THE TANAKA GOVERNMENT'S FAILURE TO HALT INFLATION, DEAL EFFECTIVELY WITH MOUNTING POLLUTION PROBLEMS, AND TO CONTROL RISING PRICES, PRO-TANAKA SENTIMENT AS MEASURED BY OPINION POLLS HAS REACHED RECORD LOW (15-21 PERCENT) IN THE PAST FEW WEEKS, CONTINUING THE STEADY DECLINE WHICH BEGAN LATE LAST YEAR FROM THE OCTOBER 1972 QTE HIGH UNQTE OF 61 PERCENT. HARRASSMENT OF THE TANAKA GOVERNMENT IN THE DIET BY THE LEFT OPPOSITION, EMBOLDENED BY THE EVIDENCE OF ERODING POPULAR SUPPORT FOR TANAKA TOGETHER WITH DELAYS CAUSED BY EGREGIOUS ERRORS OF JUDGMENT ON THE PART OF PROMINENT LDP FIGURES HAVE RESULTED IN A DISMAL FIRST YEAR PARLIAMENTARY PERFORMANCE RECORD FOR THE TANAKA GOVERNMENT. ON THE ELECTORAL FRONT THE RECORD HAS ALSO BEEN BAD. DESPITE A FEW LOCAL ELECTION VICTORIES, MAINLY IN RURAL CONSTITUENCIES, CONTINUING DEFEATS OF CONSERVATIVES BY LEFTISTS IN KEY URBAN AREAS HAVE CREATED A SENSE OF DESPAIR AND FRUSTRATION AMONG THE LDP RANK- AND- FILE AND IS STIMULATING DIRE PRE-DICTIONS ABOUT THE FUTURE OF CONSERVATIVE RULE.

2. DIET DIFFICULTIES. THE CURRENT DIET, WHICH WAS CONVENED LAST DECEMBER AND WILL END AN EXTENDED SESSION ON JULY 24, HAS BEEN THUS FAR A FRUSTRATING ORDEAL FOR THE TANAKA GOVERNMENT. THE CURRENCY CRISIS IN FEBRUARY AND OPPOSITION OBSTRUCTIONISM DELAYED THE PASSAGE OF THE FY 1973 BUDGET SO THAT AS OF EARLY MAY WITH ONLY TEN DAYS LEFT IN THE ORIGINAL SESSION, NOT ONE PIECE OF MAJOR LEGISLATION HAD BEEN PASSED. TANAKA'S SURPRISE MOVE AT THIS JUNCTURE TO FORCE THROUGH A RADICAL REVISION OF THE

ELECTORAL SYSTEM TIED UP DIET BUSINESS FOR A FORTNIGHT AS ALL FOUR OPPOSITION PARTIES CLOSED RANKS AND FORCED TANAKA TO WITHDRAW HIS PROPOSAL BY BOYCOTTING DIET PROCEEDINGS AND MOUNTING MASSIVE DEMONSTRATIONS OUTSIDE THE DIET. ON THE HEELS OFTHIS CONTRETEMPS, ILL-CONSIDERED PUBLIC STATEMENTS BY THE LOWER HOUSE SPEAKER AND BY THE DEFENSE AGENCY DIRECTOR- GENERAL LED TO CONFIDENTIAL

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FURTHER IMPASSES WHICH WERE RESOLVED ONLY BY THE RESIGNATIONS OF EACH. ALTHOUGH DIET SESSION WAS EXTENDED ON MAY 20 FOR AN ADDITIONAL 45 DAYS, IT IS NOT CLEAR HOW MUCH OF THE TANAKA LEGISLATIVE PROGRAM WILL IN FACT BE PASSED BY THE SESSION'S END SINCE THE OPPOSITION IS EXPECTED TO CONTINUE ITS TACTICS OF HARRASSMENT AND DELAY. THIS UNIMPRESSIVE PERNORMANCE BY THE TANAKA GOVERNMENT

IN THE LEGISLATURE MAY BE ATTRIBUTED IN PART TO THE ENLARGEMENT OF TYE JCP'S ROLE IN DIET PROCEEDINGS. HAVING WON AS A RESULT OF ITS GAINS IN THE DECEMBER ELECTIONS THE RIGHT TO PARTICIPATE IN DIET NEGOTIATIONS, THE JCP HAS REFUSED TO COOPERATE WITH THE LDP ON PROCEDURAL MATTERS AND HAS FOSTERED CONFRONTATION RATHER THAN COMPROMISE BETWEEN THE GOVERNMENT AND OPPOSITION PARTIES. HOW TO DEAL WITH THIS STRENGTHENED AND MORE INTRANSIGEANT LEFT OPPOSIT LN IN THE DIET HAS BECOME A MAJOR ISSUE WITHIN THE LDP.

3. ELECTORAL REFORM. THE EROSION OF LDP STRENGTH AT THE POLLS IS PART OF A LONG TERM TREND WHICH SAW THE PARTY' S PERCENTAGE OF THE POPULAR VOTE IN NATIONAL ELECTIONS DROP BELOW THE 50 PERCENT MARK FOUR YEARS AGO. THE LDP HAS NEVERTHELESS MANAGED TO RETAIN ITS MAJORITY POSITION IN THE DIET BECAUSE THE ELECTORAL SYSTEM HAS NOT BEEN ADJUSTED TO REFLECT RECENT DEMOGRAPHIC CHANGES AND THUS IS WEIGHTED HEAVILY IN FAVOR OF THE TRADITION-ALLY CONSERVATIVE RURAL VOTE. HOWEVER, LDP RELIANCE ON THE RURAL VOTER AND ITS FAILURE OR INABILITY TO DEVELOP SUPPORT AMONG THEBURGEONING URBAN POPULATION HAS RE-SULTED IN THE STEADY DECLINE OF LDP POWER IN THE CITIES AND URBAN PREFECTURES. DURING THE PAST YEAR THE LDP DEFEATS IN THE NAGOYA MAYORALTY ELECTION AND A BYE-ELECTION IN OSAKA TO FILL A VACANCY IN ZHE UPPER HOUSE BROUGHTSHOME THE FACT THAT THE LDP HAD BECOME A MINORITY PARTY IN MOST MAJOR URBAN CENTERS AND THAT CONTINUED LDP DOMINATION OF THE NATIONAL LEGISLATURE WAS BEING SERIOUSLY CHALLENGED BY THE GROWTH OF LEFTIST STRENTH. THE FACT THAT THE OSAKA ELECTION WAS WON BY A COMMUNIST AT THE EXPENSE OF BOTH THE LDP AND THE JSP ALSO HIGH-LIGHTED THE FACT THAT THE JCP THOUGH YET SMALL IN TERMS

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OF TOTAL DIET STRENGTH HAD BECOME A MAJOR FORCE IN JAPANESE POLITICS AND HAD ACHIEVED THIS POSITION BY BEING VOCIFEROUSLY, COGENTLY AND EFFECTIVELY THE CHAMPION OF POPULAR CAUSES AND INTERESTS.

4. TANAKA'S ABORTIVE EFFORT TO PUSH THROUGH HIS ELECTORAL REFORM BILL DURING THE CURRENT DIET SESSION APPEARS TO HVE BEEN MOTIVATED BY HIS CONVICTION THAT TIME WAS RUNNING OUT ON THE LDP UNDER THE PRESENT ELECTORAL SYSTEM AND THAT IF CONSERVATIVE CONTROL OF POWER IS TO BE MAINTAINED THE SYSTEM ITSELF MUST BE ALTERED. HIS SUDDEN INTRODUCTION OF THE REFORM SCHEME WITHOUT ADEQUATELY PREPARING THE GROUND FOR IT WITHIN HIS OWN PARTY HAS BEEN ATTACKED AS A GROSS TACTICAL ERROR AND IS CITED BY HIS CRITICS AS AN EXAMPLE OF TANAKA'S CHARACTERISTIC IMPETUOUSNESS AND HIGHNANDED MANNER. HOWEVER, HE WAS

UNDOUBTEDLY AWARE THAT THERE WAS STRONG OPPOSITION TO ELECTORAL REVISION WITHIN THE LDP AND APPARENTLY BELIEVED HE COULD SUCCEED ONLY BY TAKING BOLD AND DECISIVE ACTION. TANAKA HAS SHOWN THAT HE IS AWARE THAT THE REAL TASK FOR THE LDP IS TO RESPOND TO THE PRACTICAL DEMANDS AND NEEDS OF THE ELECTORATE BUT APPARENTLY FELT THAT SUFFICIENT TIME WOULD NOT BE AVAILABLE TO TURN THE TIDE BY FOLLOWING THIS ROUTE. IT IS BY NO MEANS UNLIKELY THAT TANAKA MAY TRY AGAIN TO REINTRODUCE HIS ELECTORAL REVISION CONFIDENTIAL

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SCHEME, PARTICULARLY IF THE RESULTS OF THE JULY 8 TOKYO METROPOLITAN ASSEMBLY ELECTIONS AGAIN SHOW A SIGNIFICANT SLIPPAGE OF LDP STRENGTH IN THE CAPITAL CITY.

5. TANAKA'S PROSPECTS. WITH SUPPORT FOR THE PRIME MINISTER WITHIN THE CONSERVATIVE ESTABLISHMENT ERODING RAPIDLY AND WITH ANTI- TANAKA SENTIMENT GROWING WITHIN THE LDP, IT DOES NOT APPEAR THAT THE TANAKA GOVERNMENT WILL BE ABLE TO LAST BEYOND A SINGLE THREE- YEAR TERM. HOWEVER, THERE IS NO IMMEDIATE LIKELIHOOD, BARRING A SUDDEN UNFORESEEN POLITICAL CRISIS OR A DISASTROUS DEFEAT IN THE UPPER HOUSE ELECTIONS OF JULY 1974, THAT TANAKA WILL BE REPLACED AS LDP CHIEF AND PRIME MINISTER BEFORE THAT TIME. WITH THE ODDS MOUNTING AGAINST AN LDP VICTORY IN THE 1974 CONTEST, FEW WOULD- BE SUCCESSORS APPEAR ANXIOUS TO STEP INTO TANAKA'S SHOES PRIOR TO THAT ORDEAL. ACCORDINGLY, TANAKA HAS AT LEAST ANOTHER YEAR TO

ATTEMPT TO REVERSE HIS POLITICAL FORTUNES AND IS MOST LIKELY TO WANT TO REORIENT GOJ POLICIES TOWARD THOSE WITH GREATER VOTER APPEAL. THERE ARE ALREADYINDICATIONS THAT THE TANAKA GOVERNMENT IS MAKING GREATER EFFORTS TO CONTROL INFLATION, TO REDUCE CONSUMER AND PERSONAL INCOME TAXES AND TO EMPHASIZE ISSUES OF POPULAR CONCERN. TNAKA'S COLLEAGUES AND RIVAL LEADERS WITHIN THE LDP ARE ALSO BEGINNING TO FOLLOW HIS LEAD AND TO ADVOCATE A CHANGE OF PRIORITIES IN FAVOR OF POLICIES ORIENTED TO WELFARE AND IMPROVING THE QUALITY OF LIFE INSTEAD OF THE HIGH ECONOMIC GROWTH POLICIES OF THE PAST.

6. THE POLITICAL OUTLOOK. SHOULD THE LDP'S MAJORITY CONTROL OF THE UPPER HOUSE BE LOST IN 1974 THE CHANGE WILL BE ONE OF MAJOR CONSEQUENCE BECAUSE THE COMBINED OPPOSITION WILL THEN BE ABLE TO EXERCISE ITS VETO POWER ON ANY LEGISLATION PUT FORWARD BY THE GOVERNMENT EXCEPT BUDGET AND TREATY BILLS WHICH AUTOMATICALLY PASS IF THE UPPER HOUSE FAILS TO TAKE ACTION WITHIN 30 DAYS. TO GAIN THE NECESSARY TWO-THIRDS MAJORITY IN THE LOWER HOUSE TO OVERRIDE THE UPPER HOUSE VETOES, THE LDP WOULD HAVE TO FORM A COALITION WITH BOTH THE DSP AND THE KOMEITO. SOME OBSERVERS HAVE SUGGESTED THAT THE INEVITABLE STRESSES AND STRAINS OF ACCOMMODATING TO SUCH CONFIDENTIAL

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A COALITION WITH THE MODERATE OPPOSITION WOULD SPLINTER THE LDP AND THAT LDP CENTRISTS WOULD THEN ATTEMPT TO FORM A NEW MAJORITY PARTY IN ALLIANCE WITH DSP AND KOMEITO AND MODERATE ELEMENTS OF THE JSP. WHILE THESE CONTINGENCIES SEEM EXTREMELY REMOTE, IT IS SIGNIFICANT THAT THEY ARE BEING WIDELY DISCUSSED AND THAT ALREADY CONSIDERABLE EXPLORATORY ACTIVITY APPEARS TO BE UNDER WAY.

7. ALTHOUGH IT IS IMPOSSIBLE AT THIS STAGE TO PREDICT WHAT THE OUTCOME WILL BE, IT IS QUITE CLEAR THAT SHOULD PRESENT TRENDS CONTINUE THE JAPANESE POLITICAL SITUATION APPEARS TO BE DUE FOR A MAJOR CHANGE WITHIN THE VERY NEAR FUTURE. HOWEVER, EVEN IN THE EVENT THAT A CENTRIST CO-ALITION GOVERNMENT EMERGES, IT IS NOT LIKELY THAT JAPAN'S EXTERNAL POLICIES WILL SEE REVOLUTIONARY CHANGE, OR THAT US-JAPAN RELATIONS WILL BE DRASTICALLY ALTERED. INGERSOLL

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